

Did External Political Pressure Influence the Timing of the Suit Against Goldman?

WASHINGTON. D.C. – House Oversight and Government Reform Committee Republicans, led by Ranking Member Darrell Issa (R-CA), sent a letter today to Securities and Exchange Commission (SEC) Chairman Mary Schapiro requesting that the SEC provide the Committee with documents and information “regarding any sort of prearrangement, coordination, direction from, or advance notice provided by the Commission to the Administration or Congressional Democrats regarding last Friday’s filing against Goldman.”

“The events of the past five days have fueled legitimate suspicion on the part of the American people that the Commission has attempted to assist the White House, the Democratic Party, and Congressional Democrats by timing the suit to coincide with the Senate’s consideration of financial regulatory legislation, or by providing Democrats with advance notice,” Issa wrote. “The American people have a right to know whether the Commission, or any of its officers or employees, may have violated federal law by using the resources of an independent regulatory agency to promote a partisan political agenda.”

Issa specifically asked the SEC to provide the following records and information by Tuesday, April 27, 2010:

1. State whether any Commissioner or Commission employee communicated regarding the Commission's suit against Goldman, prior to the public announcement of the suit on April 16, 2010, with any of the following:

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- Any employee of the Executive Office of the President;
- Any employee of the Democratic National Committee or Organizing for America;
- Any employee of the Democratic Senate Campaign Committee;
- Any employee of the Democratic Congressional Campaign Committee; or
- Any Member of the Senate or the House of Representatives, or any employee of the Senate or the House of Representatives.

1. Identify every person who sent or received any communication described in request no. 1.

1. Identify all known communications by any Commission employee or employees with *The New York Times*

or other news outlets prior to the Commission's public announcement of the suit. If you are unaware of any such communications, please certify as such and explain what steps the Commission has taken to identify any individual(s) who may have engaged in unauthorized disclosure of information.

1. State whether Commission Chief of Staff Didem Nisanci or Senior Adviser Kayla Gillan engaged in any communication with any individual in the subcategories listed in request no. 1 between March 1, 2010, and the present, and identify any other member of the Chairman's staff who engaged in any such communication.

1. Provide all records and communications referring or relating to the communications described in requests nos. 1, 3, and 4.

“As supported by the Commission’s canons of ethics and as frequently reiterated by you and other Commissioners, the unqualified independence of financial regulators is crucial to the health of the financial system and the U.S. economy,” Issa wrote. “For this reason, doubts about whether the Commission has scrupulously guarded its independence from the Administration’s partisan political agenda and concerted efforts to manipulate Congressional action are very serious, and should be addressed with full transparency.

Issa concluded, “If, however, the appearance of coordination between the Commission’s Goldman suit and Democrats’ partisan activities is merely the result of coincidence and extraordinarily fast political reflexes, disclosure should offer the commission the best opportunity to address outstanding concerns.”

The letter was signed by Reps. Darrell Issa (R-CA), Jim Jordan (R-OH), Jason Chaffetz (R-UT), Patrick McHenry (R-NC), Dan Burton (R-IN), Blaine Luetkemeyer (R-MO), Aaron Schock (R-IL), Anh “Joseph” Cao (R-LA).

[Click here to read the letter to the SEC](#)

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